

2011 DRAFTING REQUEST

Bill

Received: **08/04/2011**

Received By: **rchampag**

Wanted: **Soon**

Companion to LRB:

For: **Duey Stroebel (608) 267-2369**

By/Representing: **Himself and lauren**

May Contact:

Drafter: **rchampag**

Subject: **Employ Pub - retirement**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **rep.stroebel@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Post-Retirement Employment of WRS Annuitants

Instructions:

If WRS annuitant returns to WRS-covered employment, must stop receipt of annuity and no future years of service can accrue from post-retirement employment. Only applies if you take a position that is more than 1/2 time. Make sure person can receive employer-funded health insurance like other employees, though.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L Retire
/1	rchampag 08/17/2011	kfollett 08/19/2011	rschluet 08/19/2011	_____	sbasford 08/19/2011		S&L Retire
/2	rchampag 08/23/2011	chanaman 08/23/2011	rschluet 08/23/2011	_____	mbarman 08/23/2011	mbarman 10/04/2011	

FE Sent For: **08/26/2011.**

<END>

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/2	rchampag 08/23/2011	chanaman 08/23/2011	rschluet 08/23/2011	_____	mbarman 08/23/2011		

Please
Start
Fiscal Estimate
Process on
LRB - 2567/2

FE Sent For:

<END>

08-26-2011

(1/2")

per
RAC

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8/23/11
8/23
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Post-Retirement Employment of WRS Annuitants

Instructions:

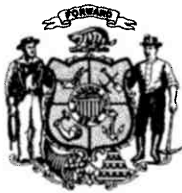
If WRS annuitant returns to WRS-covered employment, must stop receipt of annuity and no future years of service can accrue from post-retirement employment. Only applies if you take a position that is more than 1/2 time. Make sure person can receive employer-funded health insurance like other employees, though.

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1/2	rchampag	11/5 8/11		_____ _____			

FE Sent For:

<END>



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2567/1

RAC:...

MON AM
(if possible)

2011 BILL

-gen. cat

- 1 AN ACT ...; relating to: post-retirement employment of annuitants under the
2 Wisconsin Retirement System and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, when a participant in the Wisconsin Retirement System (WRS) terminates covered employment and begins to receive an annuity he or she may return to covered employment and either terminate the annuity and again become a participating employee in the WRS or, instead, continue to receive the annuity, as well as wages from covered employment. If a participant continues to receive the annuity, the participant may not be a participating employee in the WRS and, in the case of state employment, is not eligible for group insurance benefits provided to participating employees, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status and is eligible for all group insurance benefits provided other participating employees, as well as is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

a1

This bill provides that, beginning on the bill's effective date, if a participant in the WRS, who is receiving an annuity, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position in covered employment in which he or she is expected to work at least one-half of what is considered full-time employment by the Department of Employee Trust Funds, as determined by rule, the participant's annuity must be terminated and no annuity payment is payable until after the participant terminates covered employment. In addition, such a

BILL

participant cannot again become a participating employee in the WRS, with the result that no additional years of creditable service may be acquired as a result of the post-retirement employment. The bill, however, does provide that for annuitants who again become state employees, they are eligible to receive group insurance benefits provided to other state employees who are participating employees in the WRS.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 40.02 (25) (a) 7. of the statutes is created to read:

2 40.02 (25) (a) 7. A participant who is employed by a state agency after becoming
3 an annuitant and who terminates his or her retirement annuity during the period
4 of covered employment pursuant to s. 40.26 (1m). This subdivision shall not apply
5 to a participant who is employed by a state agency as a limited-term employee under
6 s. 230.26.

7 **SECTION 2.** 40.02 (25) (b) 5m. of the statutes is created to read:

8 40.02 (25) (b) 5m. A participant who is employed by a state agency after
9 becoming an annuitant and who terminates his or her retirement annuity during the
10 period of covered employment pursuant to s. 40.26 (1m). This subdivision shall not
11 apply to a participant who is employed by a state agency as a limited term employee
12 under s. 230.26.

13 **SECTION 3.** 40.22 (2) (L) of the statutes is amended to read:

14 40.22 (2) (L) The employee is employed by a participating employer after the
15 person becomes an annuitant, unless the service is after the annuity is terminated
16 under s. 40.26 (1).

BILL

1 **SECTION 4.** 40.26 (1) of the statutes is amended to read:

2 40.26 (1) Except as provided in sub. (1m) and ss. 40.05 (2) (g) 2. and 40.23 (1)
3 (am), if a participant receiving a retirement annuity, or a disability annuitant who
4 has attained his or her normal retirement date, receives earnings that are subject
5 to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified
6 in s. 40.22 (2) (L), the annuity shall be terminated and no annuity payment shall be
7 payable after the month in which the participant files with the department a written
8 election to be included within the provisions of the Wisconsin retirement system as
9 a participating employee.

History: 1981 c. 96; 1983 a. 255, 267, 290, 538; 1987 a. 138, 372; 1989 a. 13, 218; 1991 a. 141, 152, 315; 1993 a. 213; 1995 a. 302; 1999 a. 11.

10 **SECTION 5.** 40.26 (1m) of the statutes is created to read:

11 40.26 (1m) If a participant receiving a retirement annuity, or a disability
12 annuitant who has attained his or her normal retirement date, is appointed to a
13 position in covered employment after the effective date of this subsection [LRB
14 inserts date], in which he or she is expected to work at least one-half of what is
15 considered full-time employment by the department, as determined by rule, the
16 participant's retirement annuity shall be terminated and no annuity payment shall
17 be payable until after the participant terminates covered employment.

18 **SECTION 6.** 40.26 (2) (intro.) of the statutes is amended to read:

19 40.26 (2) (intro.) Upon termination of an annuity under sub. (1) or (1m), the
20 retirement account of the participant whose annuity is so terminated shall be
21 reestablished on the following basis:

History: 1981 c. 96; 1983 a. 255, 267, 290, 538; 1987 a. 138, 372; 1989 a. 13, 218; 1991 a. 141, 152, 315; 1993 a. 213; 1995 a. 302; 1999 a. 11.

22 **SECTION 7. Nonstatutory provisions.**

23 (1) PROMULGATION OF EMERGENCY RULES FOR REENTRY INTO SERVICE. The
24 department of employee trust funds may use the procedure under section 227.24 of

BILL**SECTION 7**

1 the statutes to promulgate rules under section 40.26 (1m) of the statutes, as created
2 by this act. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency
3 rules promulgated under this subsection remain in effect until January 1, 2013, or
4 the date on which permanent rules take effect, whichever is sooner.
5 Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not
6 required to provide evidence that promulgating a rule under this subsection as an
7 emergency rule is necessary for the preservation of the public peace, health, safety,
8 or welfare and is not required to provide a finding of emergency for a rule
9 promulgated under this subsection.

10 (END)

Per Rep. Stroebel,

Issue the provision also apply
to contract employees



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2567/1
RAC:kjfrs

Soon
2011 BILL

RMR

- regn. cat.

- 1 AN ACT *to amend* 40.22 (2) (L), 40.26 (1) and 40.26 (2) (intro.); and *to create*
2 40.02 (25) (a) 7., 40.02 (25) (b) 5m. and 40.26 (1m) of the statutes; **relating to:**
3 post-retirement employment of annuitants under the Wisconsin Retirement
4 System and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, when a participant in the Wisconsin Retirement System (WRS) terminates covered employment and begins to receive an annuity he or she may return to covered employment and either terminate the annuity and again become a participating employee in the WRS or, instead, continue to receive the annuity, as well as wages from covered employment. If a participant continues to receive the annuity, the participant may not be a participating employee in the WRS and, in the case of state employment, is not eligible for group insurance benefits provided to participating employees, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status and is eligible for all group insurance benefits provided other participating employees, as well as is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

This bill provides that, beginning on the bill's effective date, if a participant in the WRS, who is receiving an annuity, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position in covered employment in which he or she is expected to work at least one-half of what is considered full-time

BILL

(DET F)

employment by the Department of Employee Trust Funds, as determined by rule, the participant's annuity must be terminated and no annuity payment is payable until after the participant terminates covered employment. In addition, such a participant cannot again become a participating employee in the WRS, with the result that no additional years of creditable service may be acquired as a result of the post-retirement employment. The bill, however, does provide that for annuitants who again become state employees, they are eligible to receive group insurance benefits provided to other state employees who are participating employees in the WRS.

Insert Analysis → Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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5 to a participant who is employed by a state agency as a limited term employee under
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8 to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified
9 in s. 40.22 (2) (L), the annuity shall be terminated and no annuity payment shall be
10 payable after the month in which the participant files with the department a written
11 election to be included within the provisions of the Wisconsin retirement system as
12 a participating employee.

13 **SECTION 5.** 40.26 (1m) of the statutes is created to read:

14 40.26 (1m) ^(a) If a participant receiving a retirement annuity, or a disability
15 annuitant who has attained his or her normal retirement date, is appointed to a
16 position in covered employment after the effective date of this ^{paragraph} ~~subsection~~ [LRB
17 inserts date], in which he or she is expected to work at least one-half of what is
18 considered full-time employment by the department, as determined by rule, the
19 participant's retirement annuity shall be terminated and no annuity payment shall
20 be payable until after the participant terminates covered employment.

21 **SECTION 6.** 40.26 (2) (intro.) of the statutes is amended to read:

22 40.26 (2) (intro.) Upon termination of an annuity under sub. (1) or (1m), the
23 retirement account of the participant whose annuity is so terminated shall be
24 reestablished on the following basis:

25 **SECTION 7. Nonstatutory provisions.**

Target 3-20

BILL

(1) PROMULGATION OF EMERGENCY RULES FOR REENTRY INTO SERVICE. The department of employee trust funds may use the procedure under section 227.24 of the statutes to promulgate rules under section 40.26 (1m) of the statutes, as created by this act. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this subsection remain in effect until January 1, 2013, or the date on which permanent rules take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

(END)

**2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2567/2ins
RAC:kjf:rs

Insert Analysis:

The bill also provides that if a participant receiving a retirement annuity, or a disability annuitant who has attained his or her normal retirement date, enters into a contract to provide employee services with a participating employer after the bill's effective date, and he or she is expected to work at least one-half of what is considered full-time employment by DETF, as determined by rule, the participant's retirement annuity must be terminated and no annuity payment is payable until after the participant no longer provides employee services under the contract.

Insert 3-20:

(b) If a participant receiving a retirement annuity, or a disability annuitant who has attained his or her normal retirement date, enters into a contract to provide employee services with a participating employer after the effective date of this subsection [LRB inserts date], and he or she is expected to work at least one-half of what is considered full-time employment by the department, as determined by rule, the participant's retirement annuity shall be terminated and no annuity payment shall be payable until after the participant no longer provides employee services under the contract.

paragraph

Barman, Mike

From: Kiesow, Lauren

Sent: Tuesday, October 04, 2011 8:23 AM

To: LRB.Legal

Subject: Draft Review: LRB 11-2567/2 Topic: Post-Retirement Employment of WRS Annuitants

-Stroebe Office 8W

Please Jacket LRB 11-2567/2 for the ASSEMBLY.

10/4/2011

Memo

To: Representative **Stroebe**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2011 session draft.

LRB Number: LRB-2567

Version: “/2”

Fiscal Estimate Prepared By: (agency abbr.) ETF

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 09 / 12 / 2011

*** * * * ***

To: LRB – Legal Section PA's

Subject: *Fiscal Estimate Received For An Un-introduced Draft*

> **If re-drafted** ... please insert this cover sheet and attached early fiscal estimate into the drafting file “guts” ... after the draft's old version (the version that this fiscal estimate was based on), and just before re-draft of the updated version.

> **If introduced** ... please make sure the attached fiscal estimate is for the **current version** ... write the draft's new introduction number below and give this packet to Mike (or Lori) to re-process the fiscal estimate (w/intro. number included).

THIS DRAFT WAS INTRODUCED AS: 2011

AB-318

Barman, Mike

From: LRB.Legal
Sent: Monday, September 12, 2011 9:02 AM
To: Rep.Stroebe
Subject: LRB 11-2567/2 (un-introduced) (FE by ETF - attached - for your review)

Attachments: FE-2567 ETF.PDF



FE-2567 ETF.PDF
(84 KB)

Mike Barman (Lead Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov